

Assembly Constitutional Amendment

No. 36

Introduced by Assembly Member Nation

April 17, 2006

Assembly Constitutional Amendment No. 36—A resolution to propose to the people of the State of California an amendment to the Constitution of the State, by adding Article XIX C thereto, relating to fuel taxes.

LEGISLATIVE COUNSEL'S DIGEST

ACA 36, as introduced, Nation. Transportation: motor vehicle fuel taxes.

The California Constitution requires that revenues from taxes imposed by the state on motor vehicle fuels for use in motor vehicles upon public streets and highways, over and above the costs of collection and refunds authorized by law, to be used only for certain street and highway and public mass transit guideway purposes. The Motor Vehicle Fuel License Tax Law imposes a tax of 18¢ per gallon of fuel, as provided.

This measure would impose an additional excise tax of 5¢ per gallon on distributors of motor vehicle fuel beginning on January 1, 2007, and would annually increase this tax in 5¢ increments to 25¢ per gallon on January 1, 2011, and thereafter. This measure would specify that the additional revenues from the tax shall be used, upon appropriation by the Legislature, only for purposes of regional transportation improvements and alternative energy.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

1 *Resolved by the Assembly, the Senate concurring,* That the
2 Legislature of the State of California at its 2005-06 Regular
3 Session commencing on the sixth day of December 2004,
4 two-thirds of the membership of each house concurring, hereby
5 proposes to the people of the State of California, that the
6 Constitution of the State be amended as follows:

7 That Article XIX C is added thereto, to read:

8 SECTION 1. (a) In addition to any tax imposed under the
9 Motor Vehicle Fuel License Tax Law (Part 2 (commencing with
10 Section 7301) of Division 2 of the Revenue and Taxation Code),
11 or its successor, every distributor of motor vehicle fuel shall pay
12 an additional excise tax, to be levied and collected in accordance
13 with that law, for the privilege of storing motor vehicle fuel for
14 the purpose of removal, sale, or use, at the following rates:

15 (1) On or after January 1, 2007, and before January 1, 2008,
16 the excise tax shall be five cents (\$0.05) per gallon.

17 (2) On or after January 1, 2008, and before January 1, 2009,
18 the excise tax shall be ten cents (\$0.10) per gallon.

19 (3) On or after January 1, 2009, and before January 1, 2010,
20 the excise tax shall be fifteen cents (\$0.15) per gallon.

21 (4) On or after January 1, 2010, and before January 1, 2011,
22 the excise tax shall be twenty cents (\$0.20) per gallon.

23 (5) On or after January 1, 2011, the excise tax shall be
24 twenty-five cents (\$0.25) per gallon.

25 (b) For the 2006–07 fiscal year and each fiscal year thereafter,
26 all revenues, net of the costs of collection and of refunds, derived
27 from the excise tax imposed under subdivision (a) shall be
28 deposited among the State Highway Account; the California
29 Energy Independence Fund, which is hereby created in the State
30 Treasury; and the California Energy Independence Rebate Fund,
31 which is hereby created in the State Treasury; according to the
32 following formula:

33 (1) Fifty percent shall be deposited in the State Highway
34 Account and shall be used, upon appropriation by the
35 Legislature, only for the purpose of funding projects nominated
36 by regional transportation planning agencies for the Regional
37 Transportation Improvement Program (RTIP). The revenues
38 deposited pursuant to this paragraph shall not be used for the
39 Interregional Transportation Improvement Program.

1 (2) Twenty-five percent shall be deposited in the California
2 Energy Independence Fund and shall be used, upon appropriation
3 by the Legislature, only for the purpose of funding the research
4 and development of alternative energy resources.

5 (3) Twenty-five percent shall be deposited in the California
6 Energy Independence Rebate Fund and shall be used, upon
7 appropriation by the Legislature, only for the purpose of
8 providing rebates to purchasers of an alternative fuel vehicle.

9 (c) For purposes of this section, “alternative fuel vehicle”
10 means either of the following:

11 (1) A vehicle that is powered by nonpetroleum fuel, including
12 electricity, ethanol, biodiesel, hydrogen, methanol, or natural gas,
13 and has been determined by the State Air Resources Board to
14 meet applicable vehicular emission standards.

15 (2) A hybrid vehicle, plug-in hybrid vehicle, or a vehicle that
16 can be powered by petroleum fuel blended with nonpetroleum
17 ingredients including, but not limited to, E85 or B20.